

In the Matter of)	No. G2000-62
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
STATES WEST LIFE INSURANCE)	AND ORDER ADOPTING REPORT
COMPANY)	

A Domestic Insurer.

BACKGROUND

An examination of the financial condition of **STATES WEST LIFE INSURANCE COMPANY** (the Company) as of December 31, 1996, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Company holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions and comments and recommendations was transmitted to the Company for its comments on October 16, 2000. The Company's response dated October 31, 2000 is attached hereto only to facilitate review and for no other purpose.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 23 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **STATES WEST LIFE INSURANCE COMPANY**.

ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions contained in the examination report on page 2:

1. The Company is ordered to dispose of or non-admit the excess of investment over 4% of its admitted assets in compliance with RCW 48.13.030. (Instruction 1, page 2, Examination Report)
2. The Company is ordered to report appropriate net due and deferred premiums on life insurance contracts as admitted assets in compliance with WAC 284-07-050(2) and Chapter 18 of the NAIC APPM. (Instruction 2, page 2, Examination Report)
3. The Company is ordered to include appropriate amounts for individual life conversion policies in the asset for due and deferred life insurance premiums and in the liability for advance life insurance premiums in compliance with WAC 284-07-050(2) and Chapter 18 of the NAIC APPM. (Instruction 3, page 2, Examination Report)
4. The Company is ordered to report all due and unpaid reinsurance premiums in the appropriate asset line on page 2 of the annual statement rather than as aggregate write-ins for liabilities in compliance with WAC 284-07-050(2) and Chapter 24 of the NAIC APPM. (Instruction 4, page 2, Examination Report)
5. The Company is ordered to use reserve factors for individuals life conversion policies that reflect changes in the valuation interest rates in compliance with RCW 48.74.030 and the Standard Valuation Law. (Instruction 5, page 2, Examination Report) [This ordered correction was implemented during 1997.]

6. The Company is ordered to include a reserve for the immediate payment of claims for individual life conversion policies in the Company's aggregate life insurance reserve in compliance with WAC 284-07-050(2) and Actuarial Guideline XXXII of the NAIC Financial Examiners Handbook. (Instruction 6, page 2, Examination Report)

The Company is further ordered to provide the Chief Examiner with a written response indicating how each and every Instruction in the Examination Report has been implemented. That written report must be provided within ninety days from the date of this order.

ENTERED at Lacey, Washington, this 30th day of January, 2001.

MIKE KREIDLER
Insurance Commissioner